

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1591 – HB 2396

February 19, 2016

SUMMARY OF BILL: Authorizes a retired law enforcement officer with 25 years of creditable service in any law enforcement agency in the state to enroll in one class per semester at any institution of higher learning without paying tuition and fees.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$45,100/FY16-17/TBR

\$42,600/FY16-17/UT

Exceeds \$46,500/FY17-18 and Subsequent Years/TBR

Exceeds \$43,800/FY17-18 and Subsequent Years/UT

Assumptions:

- Based on information from the Tennessee Consolidated Retirement Service (TCRS) and the Tennessee Wildlife Resources Agency, there are at least 1,960 retired law enforcement officers that would become eligible for this discount.
- It is reasonably estimated that five percent of retired law enforcement officers (or 98) will opt to take a course at a state public higher education institution; with approximately 60 percent (or 59) attending a Tennessee Board of Regents institution and 40 percent (or 39) attending a University of Tennessee system institution.
- Based on data from TBR relative to current undergraduate tuition rates and discount programs; the average tuition discount given to eligible state employees was \$721 in FY14-15.
- Assuming a tuition increase of three percent per year, the average tuition discount at TBR institutions is estimated to be \$765 ($\$721 \times 103.0\% \times 103.0\%$) in FY16-17; and is estimated to exceed \$788 ($\$765 \times 103.0\%$) in FY17-18 and subsequent years.
- The decrease in state revenue to TBR institutions is estimated to be \$45,135 ($59 \times \765) in FY16-17; and is estimated to exceed \$46,492 ($59 \times \788) in FY17-18 and subsequent years.
- Based on data from UT relative to current undergraduate rates and discount programs; the average tuition discount given to eligible state employees at UT was \$1,029 in FY14-15.
- Assuming an annual tuition increase of three percent, the tuition discount is estimated to be \$1,092 ($\$1,029 \times 103.0\% \times 103.0\%$) in FY16-17; and is estimated to exceed \$1,124 ($\$1,092 \times 103.0\%$) in FY17-18 and subsequent years.

- The decrease in state revenue to UT is estimated to be \$42,588 (39 x \$1,092) in FY16-17; and is estimated to exceed \$43,836 (39 x \$1,124) in FY17-18 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp